

FEBRUARY 2002 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>February 2002</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$34,047,926	\$1,313,635,276
Percent Change	22.7%	(4.6%)
Corporate Income Tax		
Net Collections	(\$2,260,026)	\$172,531,354
Percent Change	N/A	(46.7%)
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$231,843,016	\$1,971,334,329
Change	(2.8%)	(0.7%)
Total Big Three Tax Types		
Net Collections	\$263,630,916	\$3,457,500,959
Percent Change	(3.1%)	(6.2%)

TAX FACTS

February 2002

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	February 2002	February 2001	% Change
Gross Collections	\$9,045,840	\$7,162,868	26.3
Withholding	198,723,432	197,821,024	0.5
Refunds	(138,564,965)	(144,191,828)	(3.9)
Urban Revenue Sharing	(35,156,381)	(33,037,720)	6.4
Net Collections	\$34,047,926	\$27,754,343	22.7
	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$276,478,184	\$303,106,283	(8.8)
Withholding	1,567,093,137	1,579,197,060	(0.8)
Refunds	(248,684,996)	(241,546,547)	3.0
Urban Revenue Sharing	(281,251,048)	(264,301,760)	6.4
Net Collections	\$1,313,635,276	\$1,376,455,035	(4.6)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. In February \$1,832,207 in alternative fuel vehicle credits were processed. After offsetting \$286,577 in tax liability, refunds for this credit totaled \$1,545,630. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit. Additional refunds were paid out of corporate income tax.

Individual Income Tax Document Count

In calendar year 2001, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	OTHER	TOTAL
#	42,230	1,419,869	78,331	109,903	17	48,503	315,165	14,853	181,876	0	2,210,747
%	1.9	64.2	3.5	5.0	0.0	2.2	14.3	0.7	8.2	0.0	

In calendar year 2002 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	1,895	205,551	3,109	6,304	3	1,039	73,968	4,400	33,100	154	0	329,523
%	0.6%	62.4%	0.9%	1.9%	0.0%	0.3%	22.4%	1.3%	10.0%	0.0%	0.0%	

The 329,523 returns filed through February 2002 compares to 370,833 returns filed during the same period of time in 2001 for an annual decrease of 11.1%. This count represents multiple tax years. For tax year 2001 filed in 2002, 314,819 returns have been filed, this represents a 12.5% decrease from 2000 returns filed in 2001 during the same period of time.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 224,591 returns in calendar year 2002 for tax year 2001 from filers who also have returns on record from calendar year 2001 with the same marital status. On average, these filers experienced a 3.5% growth in FAGI and a 0.5% increase in tax liability. More specifically, 38.6% of these filers experienced a decrease in tax liability; on average a decrease of 28.2% with a

corresponding average decrease in FAGI of 13.1%. Filers showing an increase in tax liability totaled 106,043 or 47.2%, with an average FAGI increase of 19.1% and an average tax liability increase of 30.3%.

Average Individual Income Tax Refund

Beginning with calendar year 2001 taxpayers who chose to file their returns electronically were given the option to direct deposit their refund. The figures shown below includes direct deposits.

	Average	Number
2002 CYTD	\$483.60	339,290
2001 CYTD	\$462.52	291,556
% Change	4.6%	16.4

"New" Filers in Calendar Year 2002

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2002. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 46,849 "new" returns have been filed thus far in 2002, representing approximately 55,927 persons, not including dependents. The average Federal Adjusted Gross Income for these 46,849 returns is \$15,976, with an average tax liability of \$163. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 19.1% had a married filing joint filing status, 3.8% claimed a 65 And Over Exemption and 56.2% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 2000 was \$366.4 million, for an average of \$1,619. A total additional \$63.8 million in estimated payments was received as refunds on the 1999 tax returns applied to 2000 estimates, for an average of \$1,744. Estimated payments received through February 2002 for tax year 2001 were as follows:

02/02	140ES payment	\$9,120,094	Cumulative	\$333,895,906
02/01	140ES payment	\$80,574,127	Cumulative	\$345,240,161
	Percent change	(88.7%)		(3.3%)
02/02	Average payment	\$1,213	Cumulative	\$1,479
02/01	Average payment	\$2,884	Cumulative	\$1,647
	Percent change	(57.9%)		(10.2%)
02/02	Applied refund	\$349,316	Cumulative	\$65,998,866
02/01	Applied refund	\$294,917	Cumulative	\$62,747,519
	Percent change	18.4%		5.2%
Total 02/02		\$9,469,410	Cumulative	\$399,894,772
Total 02/01		\$80,869,044	Cumulative	\$407,987,680
	Percent change	(88.3%)		(2.0%)

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2000 through March 2001, \$544,546,230 was received for the first quarter of 2000. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 2000, which shows a growth rate of 5.6% in withholding payments over the fourth quarter of 1999. Growth in quarters for which information is still being gathered is as follows:

1 st Quarter 2001	3.1%	4 th Quarter 2001	(0.4%)
2 nd Quarter 2001	3.5%	1 st Quarter 2002	4.2%
3 rd Quarter 2001	4.9%		

The comparisons made above were against the same number of months of collections in the previous year. In other words, the fifth month of information available for the fourth quarter of 2001 was compared against the fifth month of collections for the fourth quarter of 2000. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2002	3,358	\$1,248,685	\$371.85
Calendar Year 2001	5,363	\$1,797,259	\$335.12
% Change	(37.4%)	(30.5%)	11.0%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. Since the voter approval was not validated by the Federal Elections Commission until mid 1999, the 1998 tax forms did not carry these options. For tax year 2001, filed in 2002 and later, these options are available.

	February 2002	Calendar Year Total
Check Off	\$420,102	\$429,192
Voluntary Donation	\$4,342	\$4,657
Number of Returns	61,396	62,865

Contributions on the Individual Income Tax Return

Through February 2002, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	1,306	\$21,616	\$16.55
Child Abuse	1,756	\$30,128	\$17.16
Special Olympics	680	\$9,287	\$13.66
Neighbors Helping	396	\$3,740	\$9.44
AID to Education	46	\$6,499	\$141.28
Domestic Violence Shelter	1,150	\$19,264	\$16.75
Democratic Party	76	\$1,319	\$17.36
Republican Party	74	\$1,424	\$19.24
Libertarian Party	18	\$262	\$14.56
Reform Party	2	\$15	\$7.50
Green Party	15	\$348	\$23.20
Natural Law	3	\$17	\$5.67

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	February 2002	February 2001	% Change
Gross Collections	\$9,152,942	\$11,234,633	(18.5%)
Refunds	(\$11,772,968)	(\$5,615,396)	(109.7%)
Net Collections	(\$2,260,026)	\$5,619,236	N/A

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Gross Collections	\$301,123,855	\$424,531,623	(29.1%)
Refunds	(\$128,592,501)	(\$100,675,950)	27.7%
Net Collections	\$172,531,354	\$323,855,672	(46.7%)

Included in the refund amounts shown above are refunds for the alternative fuel vehicle credit program. In February, \$0.7 million in corporate alternative fuel vehicle refunds was paid out; for the fiscal year, the total is \$5.9 million.

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

February 2002	\$5,814,853	Calendar Year Total	\$16,369,145
February 2001	\$6,958,668	Calendar Year Total	\$24,579,563
% Change	(16.4%)	% Change	(33.4%)

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for February 2002 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
February 2002	76	8	3	4	0	0	91	(9.9%)
February 2001	85	6	8	2	0	0	101	
CY 2002	227	21	16	6	1	0	271	(10.0%)
CY 2001	244	23	24	6	4	0	301	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 00/01 by corporate fiscal year. For example, in FY 00/01, 9.7% of the refund dollars paid were for corporate fiscal years ending in 1996 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	96 & Prior	97	98	99	00	01
FY 00/01	12.5%	5.9%	3.0%	65.0%	13.4%	0.1%
Corporate Fiscal Year-End:	97 & Prior	96	99	00	01	02
FY 01/02	6.8%	2.3%	2.7%	75.7%	12.4%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

February 2002	\$6,471,392	Calendar Year Total	\$22,834,653
February 2001	\$4,239,514	Calendar Year Total	\$6,852,564
% Change	52.6%	% Change	233.2%

Corporate Income Tax Document Count

The Arizona Department of Revenue received 101,808 corporate returns showing a fiscal year-end of 2000. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	317	41,156	49,831	343	10,161
%	0.3	40.4	48.9	0.3	10.0

Through February 2002, 15,208 documents have been received for a fiscal year-end of 2001, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	49	10,261	2,236	100	2,562
%	0.3	67.5	14.7	0.7	16.8

The figures shown above for the 2001 returns are most meaningful when compared to 2000 returns received during the same period of time in the previous year. Through February 2001, the Arizona Department of Revenue received 12,386 documents with a fiscal year-end of 2000. This represents a 22.8% increase in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 2001/02 is based on net income tax collections in Fiscal Year 1999/2000. Amounts returned for February 2002 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	February 2002	February 2001	% change
Distribution Base	\$96,639,231	\$100,057,697	(3.4)
Non shared	184,390,247	186,869,678	(1.3)
Use Tax	14,121,898	17,393,023	(18.8)
Education Tax	34,183,362	0	N/A
Other Revenues	40,449,577	37,732,893	7.2
Total Collections	\$369,784,315	\$342,053,291	8.1

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Distribution Base	\$823,138,220	\$825,670,918	(0.3)
Non shared	1,583,451,916	1,567,291,529	1.0
Use Tax	103,981,486	134,029,072	(22.4)
Education Tax	292,290,395	0	N/A
Other Revenues	339,989,964	313,627,211	8.4
Total Collections	\$3,142,851,981	\$2,840,618,729	10.6

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	February 2002	February 2001	% change
Retained by State	\$231,843,016	\$238,620,118	(2.8)
Returned to Counties	39,148,552	40,627,675	(3.6)
Returned to Cities	24,159,808	25,072,606	(3.6)
Education Tax	34,183,362	0	N/A
Other	40,449,577	37,732,893	7.2
Total Collections	\$369,784,315	\$342,053,291	8.1

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% change
Retained by State	\$1,971,334,329	\$1,984,833,675	(0.7)
Returned to Counties	333,452,950	335,259,034	(0.5)
Returned to Cities	205,784,343	206,898,810	(0.5)
Education Tax	292,290,395	0	N/A
Other	339,989,964	313,627,211	8.4
Total Collections	\$3,142,851,981	\$2,840,618,729	10.6

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	February 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5.6	\$204,554	(69.8)	\$1,754,120	(49.3)
Non-Metal Mining/Oil & Gas	3.125%	436,202	(7.6)	4,231,500	(8.7)
Utilities	5.6%	24,269,440	5.4	211,336,000	2.8
Communications	5.6%	10,974,996	(8.5)	95,715,781	(1.1)
Railroads/Aircraft	5.6%	203,053	127.2	1,418,534	41.4
Private Car/Pipelines	5.6%	20,166	(83.7)	189,865	(74.4)
Publishing	5.6%	458,105	(12.9)	2,113,863	(48.2)
Printing	5.6%	1,390,015	(14.4)	11,641,077	(13.8)
Restaurants/Bars	5.6%	26,222,521	0.4	204,421,703	1.5
Amusements	5.6%	3,793,455	9.2	22,448,909	(3.6)
Commercial Lease	0%	38,733	(53.4)	515,825	(86.4)
Rental of Personal Property	5.6%	14,424,373	(10.3)	118,940,993	(0.9)
Contracting	3.75% - 5.6%	44,278,234	6.4	396,986,554	6.3
Feed Wholesale	Repealed	(1)	N/A	(7,947)	N/A
Retail	5.6%	145,843,419	(2.6)	1,279,233,161	0.5
Mining Severance	2.5%	(588,533)	N/A	(390,661)	N/A
Timber Severance	\$2.13/\$1.51 per 1000 board ft	0	N/A	13,629	N/A
Hotel/Motel	5.5%	8,491,604	(14.7)	52,536,552	(13.2)
Membership Camping	5.6%	25,119	55.1	84,862	16.7
Use/Use Inventory	5.6%	14,121,898	(18.8)	103,535,075	(22.8)
Rental Occupancy Tax	3.0%	14,871	27.0	108,987	30.6
Jet Fuel Tax	\$.0305/\$.0105 gal	543,729	(31.6)	3,176,120	(10.6)
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	526,815	26.3	4,312,668	31.5
Poison Control Fund	----	194,849	26.3	1,595,096	31.5
911 Wireline/Excise *	\$0.37 monthly per activated service	1,313,736	86.0	9,919,788	82.9
911 Wireless Service *	\$0.37 monthly per activated service	593,049	222.4	4,372,513	218.7
Agriculture Equipment	0%	0	N/A	21,064	N/A
Total		\$297,794,402	(2.7)	\$2,530,225,632	(0.3)

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

* Effective July 1, 2001, the 911 taxes have changed. What was formerly called 911 Excise tax at 1.25% is now 911 Wireline at \$0.37 per month for each activated service. Additionally, 911 Wireless Service has also been changed from \$0.10 per month for each activated service to \$0.37.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	February 2002	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$4,091,080	(69.8)	\$35,082,402	(49.3)
Non-Metal Mining/Oil & Gas	13,958,475	(7.6)	135,408,016	(8.7)
Utilities	485,388,792	5.4	4,226,720,001	2.8
Communications	219,499,917	(8.5)	1,914,315,620	(1.1)
Railroads/Aircraft	4,061,053	127.2	28,370,673	41.4
Private Car/Pipelines	403,325	(83.7)	3,797,302	(74.4)
Publishing	9,162,101	(12.9)	42,277,257	(48.2)
Printing	27,800,294	(14.4)	232,821,544	(13.8)
Restaurants/Bars	524,450,418	0.4	4,088,434,068	1.5
Amusements	75,869,099	9.2	448,978,188	(3.6)
Commercial Lease	1,886,229	(69.0)	31,310,716	(82.7)
Rental of Personal Property	288,487,462	(10.3)	2,378,819,853	(0.9)
Contracting	885,564,674	6.4	7,939,731,106	6.3
Feed Wholesale	(205)	N/A	(1,694,394)	N/A
Retail	2,916,868,379	(2.6)	25,584,663,215	0.5
Mining Severance	(23,541,309)	N/A	(15,626,425)	N/A
Timber Severance	0	N/A	767,630	N/A
Hotel/Motel	154,392,808	(14.7)	955,210,037	(13.2)
Membership Camping	502,378	55.1	1,697,234	16.7
Use/Use Inventory	275,946,348	(19.0)	2,067,842,295	(22.6)
Rental Occupancy Tax	495,697	27.0	3,632,916	30.6
Agriculture Equipment	0	N/A	2,106,425	N/A
Total	\$5,865,287,019	3.3	\$50,104,665,677	(0.9)

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In February 2002, 28,469,171 gallons of jet fuel were taxed, a 25.0% decrease from the 37,960,383 reported for February 2001. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in February 2002 was \$1,924,313 an 11.5% increase from the \$1,726,562 claimed in February 2001. Accounting credits claimed-to-date in FY 01/02 equals \$10,920,935 a 7.9% increase from the \$10,120,769 claimed during the same period in FY 00/01.

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>February 2002</u>	<u>February 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$206,381,529	\$163,073,800	26.6
5311-5399	general merchandise stores	214,193,571	289,881,755	(26.1)
5411-5499	food stores (no food sales)	238,945,898	288,790,177	(17.3)
5511-5521	motor vehicle dealers	566,876,877	529,462,042	7.1
5531-5599	misc. automotive, motorcycle & boat stores	138,094,559	140,963,809	(2.0)
5611-5699	apparel & accessory stores	148,384,123	165,563,266	(10.4)
5712-5733	furniture, home furnishings & equipment stores	154,559,115	162,990,148	(5.2)
5912-5949	misc. retail stores	199,318,841	201,313,498	(1.0)
TOTAL		\$2,916,868,379	\$2,995,970,692	(2.6)

<u>SIC Code</u> <u>Range</u>	<u>Description</u>	<u>Fiscal Year 2002</u>	<u>Fiscal Year 2001</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,471,597,638	\$1,318,122,803	11.6
5311-5399	general merchandise stores	2,341,003,492	2,647,761,188	(11.6)
5411-5499	food stores (no food sales)	1,991,202,366	2,055,246,939	(3.1)
5511-5521	motor vehicle dealers	5,033,066,207	4,473,078,294	12.5
5531-5599	misc. automotive, motorcycle & boat stores	1,246,519,805	1,215,810,657	2.5
5611-5699	apparel & accessory stores	1,585,506,291	1,560,707,065	1.6
5712-5733	furniture, home furnishings & equipment stores	1,310,642,607	1,399,046,460	(6.3)
5912-5949	misc. retail stores	1,785,834,165	1,812,676,796	(1.5)
TOTAL		\$25,584,663,215	\$25,462,225,899	0.5

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for February 2002 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$172,258	\$287,945	0.7	\$2,547,597	(18.3)
Cochise	1,414,959	706,875	1.8	5,991,565	(5.9)
Coconino	2,001,212	965,046	2.5	9,154,327	(3.1)
Gila	613,756	307,558	0.8	2,727,495	(9.2)
Graham	304,607	182,002	0.5	1,573,101	(4.3)
Greenlee	194,816	140,736	0.4	1,219,329	(40.8)
La Paz	377,440	145,694	0.4	997,465	0.0
Maricopa	66,441,644	25,391,108	64.9	215,094,818	1.1
Mohave	2,417,974	1,038,653	2.7	8,704,800	0.9
Navajo	1,173,624	585,575	1.5	5,384,634	0.7
Pima	14,820,422	5,975,923	15.3	50,570,206	(4.0)
Pinal	1,137,382	879,989	2.2	8,082,136	(2.5)
Santa Cruz	551,750	248,018	0.6	2,151,865	(2.4)
Yavapai	2,743,805	1,264,569	3.2	10,941,193	(1.1)
Yuma	2,273,583	1,028,862	2.6	8,312,419	7.3
Total	\$96,639,231	\$39,148,552		\$333,452,950	(0.5)

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for February 2002 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during February 2002 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax	Capitol Projects	Tourism Authority
Apache		\$59,280							
Cochise		\$421,192							
Coconino		\$594,862	\$356,780						
Gila	\$197,796	\$193,368					\$403		
Graham		\$91,034							
Greenlee		\$39,936							
La Paz		\$104,677	\$104,677						
Maricopa	\$20,753,510		\$7,645,132	\$466,970	\$3,159				\$1,443,412
Mohave		\$360,525							
Navajo		\$343,095							
Pima				\$114,898		\$32,007			
Pinal	\$556,257	\$539,576							
Santa Cruz		\$157,630							
Yavapai		\$818,762	\$327,416						
Yuma		\$654,014	\$653,842					\$651,074	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in February 2002. The table compares the receipts to February 2001 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	February 2002	February 2001	% Change
Spirituous	\$1,751,399	\$1,591,202	10.0
Vinous	697,676	601,039	16.1
Malt	1,489,332	1,722,941	(13.6)
Cigarette	13,447,564	11,616,392	15.8
Other Tobacco	276,530	210,641	31.3
Tobacco Licenses	175	100	75.0
Total	\$17,662,677	\$15,742,316	12.2

	Fiscal Year Total (01/02)	Fiscal Year Total (00/01)	% Change
Spirituous	\$14,361,733	\$14,081,959	2.0
Vinous	5,962,837	5,569,229	7.1
Malt	14,228,884	14,073,751	1.1
Cigarette*	102,843,228	102,155,273	0.7
Other Tobacco	2,375,293	2,183,132	8.8
Tobacco Licenses	2,350	5,125	(54.2)
Total	\$139,774,327	\$138,068,470	1.2

*Through February 2002, \$393,800 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	February 2002	FY (01/02)
Spirituous	\$1,225,979	\$10,053,213
Vinous	173,978	1,487,338
Malt	372,333	3,557,220
Cigarette	3,708,528	28,536,889
Other Tobacco	42,862	368,170
Tobacco Licenses	175	2,350
Total	\$5,523,855	\$44,005,181

Other dedicated revenues from luxury taxes:

	February 2002	FY (01/02)
Correction Fund revenues	\$1,949,329	\$16,896,746
Health Care Fund revenues	9,466,277	72,378,183
Wine Promotional Fund revenues	1,766	13,482
Drug Treatment & Education Fund revenues	515,942	4,637,404
Corrections Revolving Fund revenues	205,509	1,843,329

Estate Tax

	February 2002	\$3,959,624	Fiscal year To Date	\$64,168,388
	February 2001	<u>\$6,236,772</u>	Fiscal year To Date	<u>\$53,570,766</u>
% Change		(36.5%)	% Change	19.8%

Private Car

	February 2002	\$80	Fiscal year To Date	\$1,509,625
	February 2001	<u>\$0</u>	Fiscal year To Date	<u>\$1,349,677</u>
% Change		N/A	% Change	11.9%

Bingo

	February 2002	\$41,517	Fiscal year To Date	\$431,735
	February 2001	<u>\$39,816</u>	Fiscal year To Date	<u>\$438,660</u>
% Change		4.3%	% Change	(1.6%)

Unclaimed Property

	February 2002	\$1,279,461	Fiscal year To Date	\$31,761,600
	February 2001	<u>\$266,650</u>	Fiscal year To Date	<u>\$17,847,807</u>
% Change		379.8%	% Change	78.0%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2002 for Tax Year 2001
Through February 2002

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	42	0.1%	-6,379	\$0	18.8%	62.5%	10.4%	8.3%	20.8%	12.5%
\$0-\$5,000	8,213	17.5%	\$3,090	\$1	4.8%	68.8%	26.1%	0.2%	2.2%	37.0%
\$5,000-\$10,000	11,469	24.5%	\$7,460	\$17	8.5%	55.4%	35.8%	0.3%	3.7%	49.2%
\$10,000-\$15,000	8,838	18.9%	\$12,353	\$55	15.8%	36.1%	47.6%	0.4%	5.1%	63.7%
\$15,000-\$20,000	6,492	13.9%	\$17,345	\$111	22.1%	29.5%	47.9%	0.5%	5.1%	66.8%
\$20,000-\$25,000	4,159	8.9%	\$22,306	\$203	28.4%	24.8%	46.1%	0.6%	3.3%	70.7%
\$25,000-\$30,000	2,324	5.0%	\$27,290	\$334	32.5%	28.6%	38.1%	0.9%	2.6%	66.5%
\$30,000-\$40,000	2,453	5.2%	\$34,300	\$513	40.1%	29.8%	29.2%	0.9%	2.8%	60.3%
\$40,000-\$50,000	1,168	2.5%	\$44,571	\$764	51.2%	27.8%	20.3%	0.7%	3.6%	59.7%
\$50,000-\$75,000	1,236	2.6%	\$59,756	\$1,108	68.3%	18.7%	12.6%	0.4%	3.5%	61.9%
\$75,000-\$100,000	290	0.6%	\$84,887	\$1,757	76.3%	14.8%	8.9%	0.0%	4.5%	56.4%
\$100,000-\$200,000	149	0.3%	\$122,601	\$3,146	82.6%	12.1%	5.4%	0.0%	7.4%	44.3%
\$200,000-\$500,000	15	0.0%	237,340	7,877	93.3%	6.7%	0.0%	0.0%	6.7%	40.0%
\$500,000-\$1,000,000	*	*	*	*	*	*	*	*	*	*
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
Total	46,849		\$15,976	\$163	19.1%	43.1%	37.4%	0.5%	3.8%	56.2%

*An asterisked line indicates that the information can not be released due to confidentiality laws.

NEW RETURNS FILED IN 2001 FOR TAX YEAR 2000

Total	239,848		\$19,759	\$353	18.8%	59.7%	19.2%	2.3%	7.5%	31.4%
--------------	----------------	--	-----------------	--------------	--------------	--------------	--------------	-------------	-------------	--------------

“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
February 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,762,689	202,705
Eagar	\$35,070	4,033	Surprise	268,249	30,848
Springerville	17,148	1,972	Tempe	1,379,377	158,625
St. Johns	28,427	3,269	Tolleson	43,253	4,974
<u>Cochise County</u>			Wickenburg	44,192	5,082
Benson	40,966	4,711	Youngtown	26,174	3,010
Bisbee	52,958	6,090	<u>Mohave County</u>		
Douglas	124,455	14,312	Bullhead City	293,650	33,769
Huachuca City	15,226	1,751	Colorado City	28,992	3,334
Sierra Vista	328,485	37,775	Kingman	174,517	20,069
Tombstone	13,079	1,504	Lake Havasu City	364,686	41,938
Willcox	32,462	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	42,757	4,917
Flagstaff	459,957	52,894	Pinetop-Lakeside	31,148	3,582
Fredonia	9,009	1,036	Show Low	66,914	7,695
Page	59,210	6,809	Snowflake	38,783	4,460
Williams	24,714	2,842	Taylor	27,618	3,176
<u>Gila County</u>			Winslow	82,784	9,520
Globe	65,097	7,486	<u>Pima County</u>		
Hayden	7,757	892	Marana	117,881	13,556
Miami	16,835	1,936	Oro Valley	258,266	29,700
Payson	118,437	13,620	Sahuarita	28,192	3,242
Winkelman	3,852	443	South Tucson	47,740	5,490
<u>Graham County</u>			Tucson	4,232,254	486,699
Pima	17,296	1,989	<u>Pinal County</u>		
Safford	80,280	9,232	Apache Junction	276,649	31,814
Thatcher	34,975	4,022	Casa Grande	219,344	25,224
<u>Greenlee County</u>			Coolidge	67,706	7,786
Clifton	22,574	2,596	Eloy	90,219	10,375
Duncan	7,061	812	Florence	148,299	17,054
<u>La Paz County</u>			Kearny	19,557	2,249
Parker	27,305	3,140	Mammoth	15,322	1,762
Quartzsite	29,166	3,354	Superior	28,296	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	312,033	35,883	Nogales	181,552	20,878
Buckeye	56,845	6,537	Patagonia	7,661	881
Carefree	25,453	2,927	<u>Yavapai County</u>		
Cave Creek	32,418	3,728	Camp Verde	82,184	9,451
Chandler	1,535,519	176,581	Chino Valley	68,132	7,835
El Mirage	44,105	7,609	Clarkdale	29,757	3,422
Fountain Hills	175,960	20,235	Cottonwood	79,819	9,179
Gila Bend	17,218	1,980	Jerome	2,861	329
Gilbert	953,907	109,697	Prescott	295,119	33,938
Glendale	1,902,753	218,812	Prescott Valley	204,656	23,535
Goodyear	164,447	18,911	Sedona	88,628	10,192
Guadalupe	45,462	5,228	<u>Yuma County</u>		
Litchfield Park	33,131	3,810	San Luis	133,238	15,322
Mesa	3,446,811	396,375	Somerton	63,184	7,266
Paradise Valley	118,820	13,664	Wellton	15,905	1,829
Peoria	942,315	108,364	Yuma	674,058	77,515
Phoenix	11,487,589	1,321,045			
Queen Creek	37,531	4,316	TOTAL	\$35,156,381	4,045,436

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
February 2002

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,215,436	202,705
Eagar	\$24,182	4,033	Surprise	184,967	30,848
Springerville	11,824	1,972	Tempe	951,129	158,625
St. Johns	19,601	3,269	Tolleson	29,825	4,974
<u>Cochise County</u>			Wickenburg	30,472	5,082
Benson	28,248	4,711	Youngtown	18,048	3,010
Bisbee	36,516	6,090	<u>Mohave County</u>		
Douglas	85,816	14,312	Bullhead City	202,482	33,769
Huachuca City	10,499	1,751	Colorado City	19,991	3,334
Sierra Vista	226,502	37,775	Kingman	120,335	20,069
Tombstone	9,018	1,504	Lake Havasu City	251,464	41,938
Willcox	22,383	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	29,483	4,917
Flagstaff	317,157	52,894	Pinetop/Lakeside	21,478	3,582
Fredonia	6,212	1,036	Show Low	46,140	7,695
Page	40,827	6,809	Snowflake	26,743	4,460
Williams	17,041	2,842	Taylor	19,044	3,176
<u>Gila County</u>			Winslow	57,083	9,520
Globe	44,887	7,486	<u>Pima County</u>		
Hayden	5,349	892	Marana	81,283	13,556
Miami	11,608	1,936	Oro Valley	178,084	29,700
Payson	81,667	13,620	Sahuarita	19,439	3,242
Winkelman	2,656	443	South Tucson	32,919	5,490
<u>Graham County</u>			Tucson	2,918,287	486,699
Pima	11,926	1,989	<u>Pinal County</u>		
Safford	55,356	9,232	Apache Junction	190,759	31,814
Thatcher	24,116	4,022	Casa Grande	151,245	25,224
<u>Greenlee County</u>			Coolidge	46,686	7,786
Clifton	15,566	2,596	Eloy	62,209	10,375
Duncan	4,869	812	Florence	5,298	14,446
<u>La Paz County</u>			Kearny	13,485	2,249
Parker	18,828	3,140	Mammoth	10,565	1,762
Quartzsite	20,111	3,354	Superior	19,511	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	215,157	35,883	Nogales	125,186	20,878
Buckeye	39,196	6,537	Patagonia	5,283	881
Carefree	17,551	2,927	<u>Yavapai County</u>		
Cave Creek	22,353	3,728	Camp Verde	56,669	9,451
Chandler	1,058,794	176,581	Chino Valley	46,979	7,835
El Mirage	45,624	7,609	Clarkdale	20,519	3,422
Fountain Hills	121,331	20,235	Cottonwood	55,038	9,179
Gila Bend	11,872	1,980	Jerome	1,973	329
Gilbert	657,752	109,697	Prescott	203,495	33,938
Glendale	1,312,015	218,812	Prescott Valley	141,118	23,535
Goodyear	113,392	18,911	Sedona	61,112	10,192
Guadalupe	31,348	5,228	<u>Yuma County</u>		
Litchfield Park	22,845	3,810	San Luis	91,872	15,322
Mesa	2,376,697	396,375	Somerton	43,568	7,266
Paradise Valley	81,930	13,664	Wellton	10,967	1,829
Peoria	649,759	108,364	Yuma	464,786	77,515
Phoenix	7,921,095	1,321,045	TOTAL	\$24,159,808	4,042,828
Queen Creek	25,879	4,316			